



Corporate Headquarters
P.O. Box 1219R
Morristown, New Jersey 07960
(201) 455-5107

Nicholas A. Cameron
Treasurer

0-274A151

SEP 30 1980

Date.....

Fee \$.....

ICC Washington, D. C.

RECORDATION NO. 12254 Filed 1425

9/30 1980 -4 20 PM

INTERSTATE COMMERCE COMMISSION

FEE OPERATION

SEP 30 4 19 PM '80

September 30, 1980

Secretary of Interstate
Commerce Commission
Washington, D. C. 20423

RECORDATION NO. 12254 Filed 1425

9/30 1980 -4 20 PM

INTERSTATE COMMERCE COMMISSION

Dear Sir:

The following are documents for recordation pursuant
to 49 U.S.C. §11303:

- (1) Lease of Railroad Equipment dated as of
September 30, 1980 between the Allied
Chemical Corporation as Lessee, and First
Security Bank of Utah as Lessor; and
- (2) Loan and Security Agreement as of
September 30, 1980 between Morgan Inter-
funding Corporation and First Security
Bank of Utah.

With respect to each of the above documents, we are
enclosing two executed counterparts for recordation in the
files of the Commission and three executed counterparts to
be returned with the recorded date hereon.

The address of the parties to the documents described
above are as follows:

Allied Chemical Corporation
P.O. Box 1219R
Morristown, New Jersey 07960
Attention: Treasurer

J.P. Morgan Interfunding Corporation
522 Fifth Avenue
New York, New York 10036

First Security Bank of Utah
c/o First Security Leasing
79 South Main Street
Salt Lake City, Utah 84111
Attention: President

C. Owen Lytle
Brian P. M. Adams

Secretary of Interstate
Commerce Commission

-2-

September 30, 1980

A description of the railroad cars leased under the above Lease of Railroad Equipment is attached as Exhibit A to this letter. Also enclosed is our check in the amount of \$ in payment of your recordation fee.

Thank you for your assistance.

Very truly yours,

A handwritten signature in dark ink, appearing to read "N. A. Cameron".

Nicholas A. Cameron
Treasurer

Enclosures

SCHEDULE A TO LEASE

<u>Type</u>	<u>Quantity</u>	<u>Estimated Purchase Price per Unit</u>	<u>Estimated Total Purchase Price</u>	<u>Manufacturer</u>	<u>Road Numbers</u>
100-ton Covered Hopper Cars	32	\$50,477*	\$1,615,264	ACF Industries Incorporated	AFPX 945712- 945743

*Includes escalation costs to the assumed time of delivery, pursuant to the applicable Purchase Orders referred to below; and inspection, engineering and freight costs not to be in excess of \$2,000.

Item 1: The Purchase Orders referred to in the Lease are (i) the Lessee's Purchase Order No. 640-64172 as amended by Purchase Order No. 036-53689 and Change Order Nos. 1, 2, 3, 4 and 5; and (ii) the Lessee's Purchase Order No. 036-55906; a copy of each of which is attached hereto.

Interstate Commerce Commission
Washington, D.C. 20423

9/30/80

OFFICE OF THE SECRETARY

Nicholas A. Cameron, Treasurer
Allied Chemical
P.O.Box 1219R
Morristown, New Jersey 07960

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/30/80 at 4:20pm, and assigned recordation number(s). 12254 & 12254-A

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

12254

RECORDATION NO. Filed 1426

9/30 1980 -4 20 PM

INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT

dated as of September 30, 1980

between

ALLIED CHEMICAL CORPORATION

and

FIRST SECURITY BANK OF UTAH, N.A.

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LEASE OF RAILROAD EQUIPMENT dated as of September 30, 1980 between ALLIED CHEMICAL CORPORATION (hereinafter called the "Lessee"), and FIRST SECURITY BANK OF UTAH, N.A. hereinafter called the "Lessor").

WHEREAS, the Lessor proposes to acquire the railroad cars described in Schedule A hereto (the "Units"); and

WHEREAS, the Lessee desires to lease the Units from the Lessor upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions.

Section 1. Purchase Price and Payment. The term Purchase Price shall mean the aggregate purchase price paid by the Lessor for the Units set forth in Schedule A hereto as set forth in the Acceptance Certificate (substantially in the form of Schedule C hereto) relating thereto. As applied to an individual Unit, Purchase Price shall mean the total purchase price paid by the Lessor as set forth in the Acceptance Certificate relating to such Unit. On delivery and acceptance of a Unit as hereinafter provided, the Lessee as agent for the Lessor shall accept the Unit for lease hereunder and pay to ACF Industries Incorporated, the builder of the Units (hereinafter called the "Builder"), and Tank Lining Corp., the outfitter of the Units hereinafter the "Outfitter"), amounts totalling the Purchase Price of the Unit, provided that the following conditions precedent have been satisfied:

(a) The Unit is accepted for lease by Lessee not later than September 30, 1981 and the Purchase Price of such Unit when added to the aggregate Purchase Price of all Units leased by Lessee hereunder will not exceed \$1,650,000; and

(b) There shall have been delivered to the Lessor, the following documents, in form satisfactory to it, in such number of counterparts as may be reasonably requested:

(i) a bill of sale from the Builder to the Lessor [a] transferring title to the Units to the Lessor, [b] warranting to the Lessor that the Builder has good legal title to the Units, has good and lawful right to sell such Units and that title to the Units is free and clear of all claims, liens, security interests and other encumbrances of any nature, except for such, if any, arising from the lining of the Units by the Outfitter, and [c] covenanting to defend the title to the Units against the demands of all persons whomsoever, except for such persons, if any, who shall allege to have an interest in the Units arising from the lining thereof by the Outfitter;

(ii) a certificate from the Outfitter to the Lessor [a] warranting that the Units are free and clear of any claim,

lien, security interest or other encumbrance arising from the lining thereof by the Outfitter and [b] covenanting to defend the Lessor's title to the Units against the demands of all persons, if any, who shall allege to have an interest in the Units arising from the lining thereof by the Outfitter;

(iii) an opinion of counsel for the Lessee to the effect set forth in Section 14 hereof;

(iv) an appraisal as to the remaining useful life and fair market value of the Units at the conclusion of the term hereof, both excluding and allowing for inflation;

(v) an opinion of independent counsel to the effect that this Lease constitutes a true lease for Federal income tax purposes; and

(vi) certificates evidencing the insurance required by Section 6 hereof.

The Lessor will cause each Unit to be delivered to the Lessee at the point or points within the United States of America at which such Unit is delivered to the Lessor. Upon such delivery, the Lessee will cause an authorized representative of the Lessee to inspect the same, and if such Unit is found to be in good order, to accept delivery of such Unit as agent for Lessor and to execute and deliver to the Lessor an Acceptance Certificate and delivery substantially in the form of Schedule C hereto whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to the terms and conditions of this Lease.

Section 2. Rentals. The Lessee agrees to pay the Lessor as rental for each Unit subject to this Lease, interim rent determined as set forth below, plus thirty-two (32) consecutive semi-annual payments in arrears, commencing on April 1, 1981, each in an amount equal to 5.33775% of the Purchase Price. An interim rental payment shall be due on April 1, 1981 in an amount equal to the product of (a) the Unit's Purchase Price times (b) .024934% times (c) the number of days from and including the date of the Acceptance Certificate relating thereto to and including September 30, 1980.

If any of the semi-annual rental payment dates referred to above is not a business day, then the rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term "business day" as used herein means a calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Morristown, New Jersey; New York, New York or Salt Lake City, Utah are authorized or obligated to remain closed. The Lessee agrees to make each payment provided for herein as contemplated by this paragraph in immediately available funds in the city where such payment is to be made.

This Lease is a net lease and the Lessee shall not be entitled to any abatement or reduction of rent or set off against rent, including,

but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Lessor under this Lease or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, the commencement of any proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

Section 3. Term of Lease. The term of this Lease as to each Unit shall begin on the date of delivery to and acceptance of such Unit by the Lessee as agent for the Lessor and, subject to the provisions of Sections 6, 10 and 14 hereof, shall terminate on September 30, 1996. The obligations of the Lessee under Sections 5, 6, 9 and 15 shall survive the expiration of the term of this Lease.

Section 4. Identification Marks. As long as a Unit is subject to applicable provisions of the Lease, the Lessee will cause each Unit to be kept numbered with the road number set forth in Schedule A hereto or a substituted road number as provided below in this Section 4, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "Title to this car subject to documents filed with the Interstate Commerce Commission" or other appropriate words designated by the Lessor or any assignee thereof, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's title to, and any such assignee's interest in, such Unit. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same under this Lease until such words shall have been so marked on both sides thereof and will replace promptly any such words which may be removed, defaced or destroyed. The Lessee will not change the road number (which includes the identity symbol AFPX or any other such symbol customarily used by the Lessee or an affiliate thereof) of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Lessor and filed, recorded and deposited by the Lessee in all public offices where this

Lease shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Lessor an opinion of counsel to the effect set forth in subclause (viii) of Section 16 hereof in respect of such statement. The Units may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates.

Except as provided in the immediately preceding paragraph, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership.

Section 5. Taxes. All payments to be made by the Lessee hereunder will be free of expense to the Lessor for collection or other charges and will be free of expense to the Lessor with respect to the amount of any local, state, Federal or foreign taxes (other than any United States Federal income tax payable by Lessor and, to the extent that the Lessor receives credit therefor against its United States Federal income tax liability, any foreign income tax, and other than the aggregate of all state or local taxes measured by net income and value added taxes in lieu of such net income taxes, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided) or license fees, assessments, charges, fines or penalties (all such expenses, taxes, license fees, assessments, charges, fines and penalties being hereinafter called the "impositions") hereafter levied or imposed upon or in connection with or measured by this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which impositions the Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. The Lessee will also pay promptly all impositions which may be imposed upon any Unit or for the use or operation thereof or upon the earnings arising therefrom (except as provided above) or upon the Lessor by reason of its ownership thereof and will keep at all times all and every part of such Unit free and clear of all impositions which might in any way affect the title of the Lessor or the interest of any assignee thereof or result in a lien upon any such Unit; provided, however, that the Lessee shall be under no obligation to pay any impositions of any kind so long as the Lessee is contesting in its own name and in good faith and by appropriate legal or administrative proceedings such impositions, or the Lessor is required to contest such impositions as provided in this Section 5, and the nonpayment thereof does not, in the reasonable opinion of the Lessor or any assignee thereof, adversely affect the title, property or rights hereunder of the Lessor or any such assignee's interest in the Units. The Lessee agrees to give the Lessor notice of any such contest brought in the Lessee's name prior to or within 30 days after the institution thereof, and the Lessor agrees to provide such information as may be reasonably requested by the Lessee in furtherance of such contest. If any impositions shall have been charged or levied against the Lessor directly and paid by the Lessor, the Lessee shall pay the Lessor on presentation of an invoice therefor, if the Lessor shall have been legally liable with respect thereto (as evidenced by an opinion of counsel for the Lessor) or the Lessee shall have approved the payment thereof, and the Lessor agrees to give the Lessee written notice promptly after it first obtains knowledge of the making of such charge or levy, and agrees to take such other action as may reasonably be requested by the Lessee for the purpose of contesting

payment or obtaining refund of all or a portion of such imposition, as hereinafter provided in this Section 5.

In the event that any returns, statements or reports with respect to impositions involving any Unit are required to be made, the Lessee will make such returns, statements and reports in such manner as to show the interest of the Lessor and any assignee thereof in such Units and as shall be satisfactory to them or, where not so permitted, will notify the Lessor and any such assignee of such requirement and will prepare and deliver such reports to them within a reasonable period of time prior to the time such reports are to be filed in such manner as shall be satisfactory to the Lessor and any assignee thereof.

In the event that the Lessee becomes liable for the payment or reimbursement of any imposition pursuant to this Section 5, such liability shall continue, notwithstanding the expiration of this Lease, until all such impositions are paid or reimbursed by the Lessee.

In the event that the Lessee may be prohibited by law or is impaired from contesting in its own name any imposition covered by this Section 5 in respect of which the Lessee would otherwise be required to make payments to the Lessor pursuant hereto, the Lessor shall, upon request and at the expense of the Lessee, take all legal and other appropriate action reasonably requested by the Lessee to contest such imposition. The Lessor shall not be obligated to take any such action unless the Lessee shall first have indemnified the Lessor for all liabilities and expenses which may be entailed therein. The Lessee shall indemnify and hold the Lessor harmless from and against any and all claims, costs, expenses, damages, losses and liabilities incurred as a result of, or incident to, any action taken by the Lessor or the Lessee under this Section 5. The Lessee shall be entitled to any refund (plus interest, if any) received by the Lessor or the Lessee in respect of any imposition paid by the Lessee, provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing.

The Lessee shall, whenever reasonably requested by the Lessor, submit to the Lessor copies of returns, statements, reports, billings and remittances with respect to, or furnish other evidence satisfactory to the Lessor of, the Lessee's performance of its duties under this Section 5. The Lessee shall also furnish promptly upon request such data as the Lessor reasonably may require to permit the Lessor's compliance with the requirements of taxing jurisdictions, including, but not limited to, data as to any use of any Unit outside the United States of America.

The amount which the Lessee shall be required to pay with respect to any imposition which is subject to indemnification under this Section 5 shall be an amount sufficient to restore the Lessor to the same net after-tax rate of return and after-tax cash position, after considering the effect of such payment and such imposition on its United States Federal income taxes and state and local income taxes or franchise taxes based on net income, that the Lessor would have had if such imposition had not been imposed.

Section 6. Casualty Occurrences; Insurance; Termination. In the

the event that any Unit shall be or become worn out, lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise for a period of 90 consecutive days (such occurrences being hereinafter called Casualty Occurrences), prior to the return of such Unit in the manner set forth in Section 11 or 15 hereof, as the case may be, the Lessee shall promptly and fully notify the Lessor with respect thereto. On the rental payment date next succeeding such notice the Lessee shall pay to the Lessor an amount equal to the rental payment or payments in respect of such Unit due and payable on such date plus a sum equal to the Casualty Value (as hereinafter defined) of such Unit as of the date of such payment in accordance with Schedule B hereto. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue. Lessor shall transfer to Lessee, whatever title to such unit it may have, and the term of this Lease as to such Unit shall thereupon terminate.

The Casualty Value of each Unit as of the payment date on which payment is to be made as aforesaid shall be that percentage of the Purchase Price of such Unit set forth in the right hand column of Schedule B hereto opposite the rental payment number that is due on such date.

Whenever any Unit shall suffer a Casualty Occurrence after the final rental payment has been made pursuant to Section 2 hereof and before such Unit shall have been returned in the manner provided in Section 15 hereof, the Lessee shall promptly and fully notify the Lessor with respect hereto and pay to the Lessor an amount equal to the Casualty Value of such Unit, which shall be an amount equal to 25% of the Purchase Price of such Unit.

In the event of a taking or requisition of any Unit during the term or any extended term of this Lease which is not a Casualty Occurrence, all of the Lessee's obligations under this Lease with respect to the affected Unit shall continue to the same extent as if such taking or requisition had not occurred, except that if such Unit is returned at any time after the end of the term of this Lease or any renewal thereof, the Lessee shall be obligated to return such Unit to the Lessor pursuant to Section 11 or 15 hereof, as the case may be, promptly upon such return rather than at the end of the term of this Lease, but the Lessee shall in all respects comply with the provisions of said Section 11 or 15, as the case may be, with respect to such Unit. All payments received by the Lessor or the Lessee from the requisitioning authority for the use of such Unit during the term of this Lease shall be paid over to, or retained by, the Lessee providing no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing; and all payments received by the Lessor or the Lessee from the requisitioning authority for the use of such Unit after the term of this Lease, shall be paid over to, or retained by, the Lessor. -

Except as hereinabove in this Section 6 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after delivery and acceptance by the Lessee hereunder.

The Lessee will cause to be carried and maintained at all times

during the term of this Lease and during any storage period provided for by Section 11 or 15 hereof liability insurance covering the Units in the name of the Lessor and the Lessee as follows: (i) insurance in the amount of at least \$1,000,000 per occurrence against all risks of physical loss of, or damage to, the Units and (ii) public liability and property damage insurance in the amount of at least \$1,000,000 per occurrence covering liability for personal injuries, death or property damage resulting from the ownership, maintenance, use or operation of the Units; provided, however, that in the case of physical loss or property damage insurance, the Lessee, at its option, may in good faith self-insure the Units in a manner consistent with the Lessee's practice for self-insuring other railroad rolling stock owned or operated by it. The property insurance referred to in this Section 6 may be written with such deductible amounts as the Lessee deems appropriate but not in excess of deductible amounts applicable to property insurance carried by the Lessee on other railroad rolling stock owned or operated by the Lessee and, in any event, only to the extent such deductible amounts are consistent with prudent industry practice. The Lessee will provide all risk property damage for the Units in an amount not less than the greater of the aggregate Casualty Value of all such Units or the amount prescribed in the interchange rules of the Association of American Railroads or any successor organization responsible for matters pertaining to the interchange of freight traffic applicable to the loss of such Units (the "AAR Value"); provided, however, that the Lessor agrees to obtain at the request and expense of the Lessee insurance coverage for the amount, if any, by which the Casualty Value exceeds the AAR Value of the Units.

The policies of insurance required hereunder shall be valid and enforceable policies issued by insurers of recognized responsibility comparable to the Lessee's present insurers. The Lessee shall furnish to the Lessor prior to the acceptance date of any Unit and upon request throughout the term of this Lease certificates evidencing the required insurance hereunder. Such policies may be blanket policies covering other equipment not covered by this Lease, provided that any blanket policy shall in an accompanying certificate of insurance or rider specifically designate the Units as being included therein and covered thereby to the full extent of the amounts herein required and shall name the Lessor and any assignee thereof as additional insured parties thereunder with respect to liability and a loss payee with respect to damage to such Units. All such policies shall contain an agreement by the insurers that such policies shall not be cancelled without at least 30 days' prior written notice to the Lessor and that the insurer will give notice to the Lessor in the event of nonpayment of premium by the Lessee when due.

Any insurance proceeds (less expenses of collection) as the result of insurance carried by the Lessee or condemnation payments received by the Lessor in respect of Units suffering a Casualty Occurrence shall be deducted from the amounts payable by the Lessee to the Lessor in respect of Casualty Occurrences pursuant to this Section 6, if such amounts are received by the Lessor on or prior to the date when such Casualty Value is due. If the Lessor shall receive any such insurance proceeds or condemnation payments after the Lessee shall have made all payments required by this Section 6 without deduction for such amounts, such insurance proceeds or condemnation payments shall be paid to the Lessee up to the amount of the Casualty Value payment made to the Lessor. Any such insurance proceeds

or condemnation payments in excess of the Casualty Value shall be paid to and retained by the Lessor as owner of the Units. All insurance proceeds received by the Lessor in respect of any Unit not suffering a Casualty Occurrence shall be paid to the Lessee upon evidence reasonably satisfactory to the Lessor that any damage to such Unit in respect of which proceeds were paid has been fully repaired.

In the event that the Lessee shall, in its reasonable judgment, determine that all Units remaining under this Lease have become economically obsolete in the Lessee's business, the Lessee shall have the right, at its option and on at least 90 days' prior written notice to the Lessor, to terminate (which act shall hereinafter be called a "Termination") this Lease as to such Units as of any succeeding rental payment date specified in such notice (such termination date so specified being hereinafter called the "Termination Date"), provided, however, that (i) the Termination Date shall not be earlier than October 1, 1992, nor later than September 30, 1996, (ii) no Event of Default or other event which after the lapse of time or notice or both would become an Event of Default hereunder, shall have occurred and be continuing on such date and (iii) on the Termination Date all Units shall be in the condition required for redelivery pursuant to Section 15 hereof. For the purposes of this paragraph, the Units may be considered economically obsolete in the Lessee's business, if, but not by way of limitation, by reason of the application thereto of laws, rules or regulations of the United States of America or of any State or political subdivision thereof pertaining to the protection of the environment or human health, the Lessee shall be required to expend material amounts to modify such Units to comply with such laws, rules or regulations.

During the period from the 45th day after the giving of such notice until the fifth business day preceding the Termination Date, the Lessee shall use its best efforts to obtain bids for the purchase of each such Unit, and the Lessee shall at least five business days prior to such Termination Date certify to the Lessor the amount of each such bid and the name and address of the party (which shall not be a corporation, other entity or individual affiliated with the Lessee or any party from whom the Lessee or any such affiliate intends thereafter to lease such Unit) submitting such bid. On the Termination Date the Lessor shall sell each such Unit for cash to the bidder who shall have submitted the highest bid prior to the Termination Date. The total sale price realized at each such sale shall be retained by the Lessor.

On such Termination Date, the Lessee shall pay to the Lessor with respect to each such Unit an amount equal to (i) the excess, if any, of the Termination Value (as hereinafter defined) for each such Unit computed as of such date over the sale price of any such Unit so sold after the deduction of all expenses incurred by the Lessor in connection with such sale and (ii) the rental payment with respect to each such Unit due on such Termination Date. The Termination Value of each such Unit as of the Termination Date on which payment is to be made shall be the Casualty Value of such Unit as is set forth in Schedule B hereto opposite such date.

If no sale of any Unit subject to a Termination shall occur on the Termination date with respect thereto as provided above, this Lease shall continue in full force and effect without change unless and until

the Lessee pays the Lessor an amount equal to the Termination Value of such Unit as of such Termination Date and any rental payment due with respect thereto on such Termination Date and returns any unsold Unit to the Lessor pursuant to Section 15 hereof.

Upon the receipt by the Lessor of the amounts above described, the obligation of the Lessee to pay rent pursuant to Section 2 hereof in respect of such Unit on each rental payment date shall continue to and including the Termination Date but shall then terminate. The Lessor shall be under no duty to solicit bids, to inquire into the efforts of the Lessee to obtain bids or otherwise to take any action or incur any cost or expense in connection with any sale other than to transfer or to cause to be transferred all of the Lessor's right, title and interest in and to such Unit to the purchaser named in the highest bid certified by the Lessee to the Lessor as above provided. Any such sale shall be free and clear of all of the Lessee's rights to such Unit, but otherwise shall be made without warranties other than against the Lessor's acts.

Section 7. Substitution. Not earlier than twelve years and one day after the beginning of this Lease with respect to any Unit (hereafter called the "Old Unit"), and provided that no Event of Default or event which after notice or lapse of time or both would become an Event of Default hereunder shall have occurred and be continuing, the Lessee may elect, to substitute another unit (hereinafter called the "New Unit") hereunder for the Old Unit; provided, however, that (i) the New Unit shall have been built not earlier than the date of delivery under this Lease of the Old Unit; (ii) the actual fair value of the New Unit shall be no less than the actual fair value of the Old Unit immediately before the substitution; (iii) the New Unit shall have an estimated remaining useful life of not less than the estimated remaining useful life of the Old Unit; (iv) the New Unit shall be of the same type and capacity as the Old Unit; (v) the New Unit shall be free and clear of all claims, liens, security interests and other encumbrances by or in favor of any person (except as created by this Lease); (vi) the New Unit shall comply with all applicable laws, regulations, ordinances and rules; (vii) the New Unit shall be numbered and marked in accordance with Section 4 hereof; (viii) the Lessee shall pay all expenses and taxes, including all sales taxes, use taxes and taxes measured by income, incurred by the Lessor or the Lessee upon or in connection with the substitution of the New Unit for the Old Unit; (ix) for the purpose of computation of the rental payments hereunder in respect of the New Unit, the Purchase Price of the New Unit under this Lease shall be deemed to be the Purchase Price of the Old Unit hereunder; (x) the substitution of the New Unit for the Old Unit shall not in and of itself cause any of the rental payments payable hereunder to be decreased in any way; (xi) the New Unit shall be deemed to be a Unit for the purposes of this Lease and the transactions contemplated hereby; (xii) the Lessee shall deliver to the Lessor a certificate of an officer of the Lessee dated as of the date of the substitution of the New Unit for the Old Unit to the effect that each of the conditions set out in clauses (i) through (vii) of this sentence in respect of such substitution has been satisfied, to the effect that no Event of Default or event which, after notice or lapse of time or both, would become an Event of Default hereunder has occurred and is continuing, to the effect that the substitution has been duly authorized by the Lessee, setting forth the date of manufacture of the New Unit and the original cost thereof, and stating that the Lessee intends to

use the New Unit in its business; (xiii) the Lessee shall deliver to the Lessor an opinion of counsel for the Lessee that title to the New Unit is vested in the Lessor free and clear of all claims, security interests or other encumbrances by or in favor of any person (except as created by this Lease), that such New Unit has become a Unit under and subject to the terms of this Lease, that all necessary filings and recordations have been effected to protect the interests of the vendor in the New Unit, and as to such other matters incident to the substitution as the Lessor may reasonably request; (xiv) the Lessee shall execute and delivery such documents as may be required by law or may reasonably be requested by the Lessor at the Lessee's expense, to transfer title to the New Unit to the Lessor; and (xv) the Lessee will do and perform any acts and will execute, deliver, file, register and record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all instruments required by law or reasonably requested by the Lessor for the purposes of proper protection, of the Lessor's rights in the New Unit. Immediately upon the substitution of the New Unit for the Old Unit in accordance with the terms of clauses (i) through (xv) above, title to the Old Unit shall vest in the Lessee and the Lessor will, if requested by the Lessee, execute and deliver to the Lessee, at the expense of the Lessee, appropriate instruments confirming such passage to the Lessee of all the Lessor's right, title and interest in and to the Old Unit.

Section 8. Reports. On or before April 30 in each year, commencing with the calendar year 1981, the Lessee will furnish to the Lessor and any assignee thereof an accurate statement (a) setting forth as at the preceding December 31 the quantity, type and road numbers of all Units then leased hereunder, the quantity, type and road numbers of all Units that have suffered a Casualty Occurrence during the preceding calendar year or are then undergoing repairs (other than running repairs) or are then withdrawn from use pending such repairs (other than running repairs) and such other information regarding the location, condition and state of repair of the Units as the Lessor and any assignee thereof may reasonably request and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statements, the markings required by Section 4 hereof have been preserved or replaced. The Lessor and any assignee thereof shall have the right by its agents, to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Lessor or any assignee thereof may request during the continuance of this Lease.

Section 9. Disclaimer of Warranties; Compliance with Laws and Rules; Use; Maintenance; Indemnification. THE LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND THE LESSOR MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE OR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, -EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, it being agreed that all such risks, as between the Lessor and the Lessee, shall be borne by the Lessee. The Lessor shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to have been caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or

by any other circumstances in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessor hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of the Lessor and/or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Lessor may have against a builder of any of the Units or others relating to the quality or performance of any Unit, any of its components or its design or construction, whether such claims be based in contract (including breach of warranty) or tort.

The Lessee shall comply in all material respects with all laws of the jurisdictions in which its operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units, and in the event that prior to the expiration of this Lease or any renewal hereof, such laws or rules require any alteration, replacement or addition of or to any part on any Unit, the Lessee will conform therewith at its own expense and title to any additions or improvements so made shall thereupon vest in the Lessor; provided, however, that the Lessee may at its own expense, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the reasonable opinion of the Lessor, adversely affect the Lessor hereunder.

The Lessee agrees that none of the Units shall be used "predominantly outside the United States" within the meaning of Section 48(a)(2)(A) of the Internal Revenue Code of 1954, as amended (the "Code"), and the regulations promulgated thereunder.

The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Lease in good operating order, repair and condition, eligible for interchange under the rules of the American Association of Railroads (or any successor thereto) and in compliance with the applicable rules of any governmental agency or other organization having jurisdiction over the Unit.

Any and all additions to any Unit (except equipment or devices which have been added to such Unit by the Lessee, the cost of which is not included in the Purchase Price of such Unit, which are not required for the operation or use of such Unit by any governmental or quasi-governmental organization having jurisdiction over such Unit and which may be readily removed from such Unit without materially damaging such Unit or the value thereof) and any and all parts installed on and additions and replacements made to any Unit shall constitute accessions to such Unit and, at the cost and expense of the Lessee, full ownership thereof free from any lien, charge, security interest or encumbrance shall immediately be vested in the Lessor.

The Lessee shall not permit any special device or assembly to be attached or affixed to any Unit which may not be readily removed from such Unit without materially impairing such Unit or the value thereof unless the Lessee has secured the prior written consent of the Lessor thereto.

The Lessee agrees to indemnify, protect and hold harmless the Lessor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, but not limited to, counsel fees and expenses, penalties and interest, arising out of or as the result of the entering into or the performance of or the occurrence of a default or an Event of Default under this Lease, the ownership of any Unit, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any Unit or any accident in connection with the operation, use, condition, possession, storage or return of any Unit resulting in damage to property or injury or death to any person, except as otherwise provided in Section 15 of this Lease; provided, however, that the foregoing indemnification shall not be deemed to operate as a guaranty of the residual value of any Unit. No person shall be entitled to indemnification hereunder for losses, damages, injuries, liabilities, claims or demands arising out of such person's wilful misconduct or gross negligence. The indemnities arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the expiration or termination of the term of this Lease.

The Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports (other than income tax returns) to be filed by the Lessor with any federal, state or other regulatory authority by reason of the ownership by the Lessor of the Units or the leasing thereof to the Lessee.

Section 10. Default. If, during the continuance of this Lease, one or more of the following events (each such event being herein sometimes called an Event of Default) shall occur:

(a) default shall be made in payment of any amount provided for in Section 2, 6 or 14 hereof, and such default shall continue for five business days;

(b) any representation or warranty made by the Lessee in this Lease or in any agreement, document or certificate referred to in this Lease and delivered by the Lessee in connection herewith shall prove to have been incorrect in any material respect when any such representation or warranty was made or given;

(c) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or any of its right hereunder, or of the right to possession of the Units, or any thereof;

(d) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee set forth herein and such default shall continue for 30 days after written notice from the Lessor to the Lessee specifying the default and

demanding that the same be remedied, unless the Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, that if any default under this subsection (c) shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Lessee within such period and pursued with reasonable diligence;

(e) a petition for liquidation or reorganization under Title 11 of the United States Code, as now constituted or hereafter amended, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease shall not have been and shall not continue to be duly assumed in writing within 60 days after such petition shall have been filed, pursuant to a court order or decree, by a trustee or trustees appointed in such proceeding (whether or not subject to ratification) in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees; or

(f) any other proceedings shall be commenced by or against the Lessee for any relief which includes, or might result in, any modification of the obligations of the Lessee under any bankruptcy or insolvency law, or law relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, composition or extension (other than a law which does not permit any readjustment of the obligations of the Lessee hereunder and, unless such shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease shall not have been and shall not continue to be duly assumed in writing, within 60 days after such petition shall have been filed, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed in such proceeding (whether or not subject to ratification) for the Lessee or for the property of the Lessee in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 60 days after such proceedings shall have been commenced;

Then, in any such case, the Lessor, at its option, may:

(x) proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(y) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable to the extent that this Lease provides that the obligations of this Lease shall survive a termination or expiration hereof; and thereupon the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thence forth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever; but the Lessor shall, nevertheless, have a

right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, a sum which represents the greater of the unpaid principal balance of the loan made to the Lessor pursuant to the Loan Agreement (as hereinafter defined) or the excess of (A) the present value, at the time of such termination, of the entire unpaid balance of all rental which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease over (B) the then present value of the rental which the Lessor reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 12% per annum discount, compounded monthly from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, (ii) any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental, and (iii) an amount which, after deduction of all taxes required to be paid by the Lessor and in respect of the receipt thereof under the laws of any federal, state or local government or taxing authority of the United States of America or under the laws of any taxing authority or governmental subdivision of a foreign country, shall, in the reasonable opinion of the Lessor, cause the Lessor's net after-tax annual cash flow and net after-tax rate of return to be the same as such net after-tax annual cash flow and net after-tax annual rate of return would have been had the Lessor been entitled to utilization of all or such portion of the deductions described in Section 18(a)(i) hereof or the Investment Credit (as is defined in Section 18(a)(iii) hereof) which was lost, not claimed, not available for claim or disallowed or recaptured in respect of a Unit as a direct or indirect result of an Event of Default, including, without limitation, after disposition of the Lessor's interest in the Units after the occurrence of an Event of Default such sum as will pay or reimburse the Lessor for any interest, penalties or additions to tax incurred in connection with such loss, failure to claim, inability to claim, disallowance or recapture.

The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is not, at the time in question, prohibited by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make such payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Lessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such rights upon the continuation or recurrence of any such contingencies or similar contingencies.

Section 11. Return of Units Upon Default. If this Lease shall terminate pursuant to Section 10 hereof, the Lessee shall, at its own cost, risk and expense, forthwith deliver possession of the Units to the Lessor.

For the purpose of delivering possession of any Unit or Units to the Lessor, as above required, the Lessee shall:

(a) in the usual manner and at the usual speed place such Units upon such storage tracks as the Lessor reasonably may designate;

(b) provide for the Lessor to store such Units on such tracks for a period of 180 days or until such Units have been sold, leased or otherwise disposed of by the Lessor, whichever shall occur first; and

(c) transport the same to any place on any line of railroad or to any connecting carrier for shipment, all as directed by the Lessor.

Each Unit so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, shall be eligible for interchange under the rules of the Association of American Railroads (or any successor thereto) and shall comply with the applicable rules of any governmental or quasi-governmental organization having jurisdiction over the Unit.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. During any storage period, the Lessee shall maintain and keep the Units in good order and repair and shall permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, the Lessee shall, in addition, pay to the Lessor for each day after the date of termination, an amount equal to the amount, if any, by which .029654% of the Purchase Price of such Unit for each such day exceeds the actual earnings received by the Lessor on such Unit for each such day.

Section 12. Assignment; Possession and Use. This Lease shall be assignable in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. All the rights of the Lessor hereunder (including, but not limited to, the rights under Sections 5, 6, 9, 10 and 19 and the rights to receive the rentals payable under this Lease) shall inure to the benefit of the Lessor's assigns (including the partners or any beneficiary of any such assignee if such assignee is a partnership or a trust, respectively). The Lessee agrees that it shall so long as any such assignment may be effective: (i) recognize any such assignment, (ii) accept the directions or demands of such assignee in place of those of the Lessor pursuant to the terms hereof, (iii) surrender any leased property only to such assignee pursuant to the terms hereof, (iv) pay all amounts payable hereunder (other than payments under Section 18 hereof) and to do any and all things required of the Lessee hereunder and not terminate this Lease (other than as provided for herein), not-

withstanding any default by the Lessor or the existence of any other offset as between the Lessor and the Lessee or the existence of any other liability or obligation of any kind or character on the part of the Lessor to the Lessee whether or not arising hereunder, (v) not require any assignee of this Lease to perform any duty, covenant or condition required to be performed by the assignor under the terms of this Lease, all rights of the Lessee in any such connection aforesaid being hereby waived as to any and all of such assignees, and (vi) execute any documents (or consent to such assignment) which the Lessor may reasonably request in order to effectuate the foregoing; provided, however, that nothing hereinabove set forth shall relieve the Lessor from its obligations to the Lessee hereunder, and any such assignment shall be subject and subordinate to the terms and provisions of this Lease and the rights and interest of the Lessee in the Units hereunder.

So long as no Event of Default shall have occurred, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease but, without the prior written consent of the Lessor, the Lessee shall not assign or transfer its leasehold interest under this Lease, in the Units or any of them; provided, however, that the Lessee may sublease any of the Units to any person for a period not to exceed one year. Notwithstanding the foregoing, the Lessee may assign or transfer its leasehold interest under this Lease in all but not less than all the Units or possession of all but not less than all the Units to any corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which shall have duly assumed the obligations of the Lessee hereunder) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety or property of the Lessee related to the operation of the Units; provided, further, that (i) such assignee or transferee will not, upon the effectiveness of such merger, consolidation or acquisition, be in default under any provision of this Lease and will have a consolidated net worth determined in accordance with generally accepted accounting principles not less than that of the Lessee immediately prior to such transaction and (ii) in the case of any such acquisition of less than all or substantially all of the property of the Lessee, such acquisition shall not alter in any way the Lessee's obligation to the Lessor hereunder which shall be and remain those of a principal and not a surety.

The Lessee, at its own expense, will as soon as possible pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Lessor or resulting from claims against the Lessor not related to the ownership of the Units) upon or with respect to any Unit, including any accession thereto, or the interest of the Lessor or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises; except that this covenant will not be breached by reason of the Lessee's failure to discharge liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business; and furthermore, the Lessee shall be under no obligation to discharge any such lien, charge, security interest or encumbrance so long as it is contesting the same in good faith and by appropriate legal proceedings

and the failure to discharge the same does not, in the reasonable opinion of the Lessor, adversely affect the title, property or rights of the Lessor hereunder.

Section 13. Mileage. During the term of this Lease, the Lessee shall receive, insofar as applicable law and regulations allow, all mileage allowances, rentals and/or compensation payable by carriers by reason of the use of any Unit (hereinafter called "Mileage") leased to the Lessee hereunder. It is understood and agreed that if for any reason the Lessor receives any Mileage, then (unless an Event of Default specified in Section 10 shall have occurred and be continuing) the Lessor shall promptly remit such Mileage to the Lessee.

Section 14. Renewal and Purchase Options. Provided that this Lease shall not have been earlier terminated and the Lessee is not in default hereunder, the Lessee may, by written notice delivered to the Lessor not less than 180 days prior to the end of the original term or any of not more than three extended terms of this Lease, as the case may be, elect to extend the term of this Lease in respect of all, but not fewer than all, the Units then covered by this Lease, for an additional period of five years commencing on the scheduled expiration of the original term or the preceding extended term of this Lease, as the case may be, at a "Fair Market Rental" payable semi-annually in arrears.

Fair Market Rental and Fair Market Sale Value shall be determined on the basis of, and shall be equal in amount to, the rental or sale value which would obtain in an arm's length transaction between an informed and willing lessee or vendee as the case may be (other than a lessee or vendee currently in possession) and an informed and willing lessor or vendor as the case may be under no compulsion to lease or sell and, in such determination, costs of removal from the location of current use shall not be a deduction from such rental or sale value but there shall be excluded any rental value or sale value attributable to additions, modifications and improvements which the Lessee is entitled to remove pursuant to Section 9 hereof. If, after 40 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Rental or Fair Market Sale Value of the Units, such value or rental shall be determined in accordance with the foregoing definition by the following procedure. If either party to such determination shall have given written notice to the other requesting determination of such rental or sale value by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 20 business days after such notice is given, each party shall appoint an independent appraiser within 25 business days after such notice is given, and the two appraisers so appointed shall within 35 days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 35 business days after such notice is given, either party may apply, to make such appointment, to the American Arbitration Association, and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental or Fair Market Sale Value of the Units subject to the proposed extended term within 30 days after his or their appointment. If the parties shall have failed to appoint, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be aver-

aged and such latter average shall be final and binding upon the parties hereto as the Fair Market Rental or Fair Market Sale Value, as the case may be. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental or Fair Market Sale Value and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne equally by the Lessee and the Lessor.

Provided that this Lease shall not have been earlier terminated and the Lessee is not in default hereunder, the Lessee may, by written notice delivered to the Lessor not less than 180 days prior to the end of the original term of this Lease, elect to purchase all but not fewer than all the Units then covered by this Lease for an amount equal to 54% of the Purchase Price of such Units, payable at the end of the original term of the Lease. At any time that the Lessee has the option to extend this Lease hereunder, the Lessee shall have the option to purchase all but not fewer than all of the Units remaining under this Lease (as extended) for an amount equal to the Fair Market Sale Value of the Units, written notice of such option to purchase to be delivered to the Lessor in less than 90 days prior to such purchase date.

Upon payment of the purchase price of the Units by the Lessee, as provided for above, the Lessor shall, upon request of the Lessee, execute and deliver to the Lessee or to the Lessee's assignee or nominee, a bill of sale (without representations or warranties except that such Units are free and clear of all claims, liens, security interests and other encumbrances by or in favor of any person claiming by, through or under the Lessor) for such Units, and such other documents as may be required to release such Units from the terms and scope of this Lease and to transfer title thereto to the Lessee or such assignee or nominee, in such forms as may reasonably be requested by the Lessee, all at the Lessee's expense.

Section 15. Return of Units Upon Expiration of Term. As soon as practicable on or after the expiration of the original or extended term of this Lease with respect to any Units purchased by the Lessee pursuant to Section 14 hereof, the Lessee shall, at its own cost and expense, at the request of the Lessor, deliver possession of the Units to the Lessor upon such storage tracks (at no more than two locations) as the Lessor shall reasonably designate within the contiguous 48 states of the United States of America, or, in the absence of such designation, as the Lessee may select, and provide for the Lessor to store the Units on such tracks for a period not exceeding three months and transport the same, at any time within such three-month period, to any reasonable place on any line of railroad or to any connecting carrier for shipment, all as directed by the Lessor, the movement and storage of the Units to be at the expense and risk of the Lessee. During any such storage period, the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any Unit, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor

or any prospective purchaser, the rights of inspection granted under this sentence. Each Unit returned to the Lessor pursuant to this Section 15 shall be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted, shall be eligible for interchange under the rules of the Association of American Railroads (or any successor thereto) and shall comply with the applicable rules of any governmental or quasi-governmental organization having jurisdiction over the Unit. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of the Lease, and upon application of any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, the Lessee shall, in addition, pay to the Lessor for each day after the date of termination an amount equal to the amount, if any, by which .024614% of the Purchase Price of such Unit for each such day exceeds the actual earnings received by the Lessor on such Unit for each such day.

The Lessee shall exercise its best efforts to cause the identifying symbol portion of the road number of the Units to be removed to reflect the interest of the new lessee, assignee, owner or other party in interest as soon as practicable after the return of the units by the Lessee hereunder.

Section 16. Representations and Warranties; Opinion of Counsel.
The Lessee represents and warrants to the Lessor that:

(a) the Lessee is a corporation duly organized and validly existing in good standing under wherever the laws of its state of incorporation and is duly qualified to do business wherever necessary to perform its obligations under this Lease;

(b) the Lessee has the full power, authority and legal right to enter into and perform its obligations under this Lease, and the execution, delivery and performance of this Lease have been duly authorized by all necessary corporate action on the part of the Lessee;

(c) the Lessee is not a party to any agreement or instrument or subject to any charter or other corporate restriction which will materially adversely affect the ability of the Lessee to perform its obligations under this Lease;

(d) neither the execution and delivery of this Lease nor the consummation of the transactions herein contemplated nor the fulfillment of, or compliance with, the terms and provisions hereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of the corporate charter or the by-laws of the Lessee or of any bond, debenture, note, mortgage, indenture, agreement or other instrument to which the Lessee is now a party or by which it may be bound, or constitute (with the giving of notice or the passage of time or both) a default thereunder;

(e) neither the execution and delivery of this Lease nor the consummation of the transactions herein contemplated nor the fulfillment of, or compliance with, the terms and provisions hereof will conflict in any material respect with, or result in a material breach of, any of the terms, conditions or provisions of any law, regulation, order, injunction or decree of any court or governmental instrumentality applicable to the Lessee;

(f) no mortgage, deed of trust or other lien of any nature whatsoever which now covers or affects, or which may hereafter cover or affect, any property or interest therein of the Lessee, now attaches or hereafter will attach to the Units or in any manner affects or will affect adversely the Lessor's right, title and interest therein;

(g) no authorization or approval is required from any governmental or public body with respect to the entering into or performance by the Lessee of this Lease;

(h) this Lease has been duly authorized, executed and delivered by the Lessee, and, assuming due authorization, execution and delivery thereof by the Lessor, is a legal, valid and binding agreement, enforceable in accordance with its terms subject as to the enforcement of remedies to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally; and

(i) prior to the delivery and acceptance of any Unit hereunder, this Lease and the Loan Agreement (as hereinafter defined) will be duly filed and recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303, such filing and recordation will protect the interests of the Lessor and J. P. Morgan Interfunding Corp. in and to the Units and no filing, recording or deposit (or giving of notice) with any other federal, state or local government or agency is necessary in order to protect the interests of the Lessor and J. P. Morgan Interfunding Corp. in and to the Units in the United States of America.

Simultaneously with the execution and delivery of this Lease, the Lessee will deliver to the Lessor the written opinion of counsel for the Lessee, addressed to the Lessor, Lessor and its counsel, to the effect set forth in clauses (a), (b), (d), (e), (f) and (g), and (h), upon filing and recordation of this Lease with the Interstate Commerce Commission prior to acceptance of Units for lease hereunder, a supplementary opinion to the effect of clause (i). The Lessee will also deliver to the Lessor a certificate of the Director - Distribution and Purchasing of the Fibers and Plastics Company (or other official having similar responsibility) of the Lessee as to each Unit having a useful economic life of at least 20 years and four months and an anticipated residual value at the end of the original term of this Lease of at least 20% of the Purchase Price thereof.

Section 17. Recording. The Lessee will cause this Lease and any assignment hereof to be filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. §11303 prior to the delivery and acceptance hereunder of any Unit. The Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments required by

law or reasonably requested by the Lessor or any assignee thereof for the purpose of proper protection, to its satisfaction, of the Lessor's or such assignee's interest in the Units or this Lease, or for the purpose of carrying out the intention of this Lease; and the Lessee will promptly furnish to the Lessor or any assignee thereof evidence of any such action and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Lessor or any assignee thereof.

Section 18. Income Taxes. (a) If, subject to paragraph (b) of this Section 18:

(i) the Lessor is not allowed the benefit of current deductions for depreciation, commencing with calendar year ended 1980, on any one or more of the Units placed under this Lease in such year under Section 167(a) of the Code (x) computed pursuant to any method of depreciation authorized by Section 167(b)(2) or (3) of the Code and pursuant to the asset depreciation range system of Section 167(m) of the Code and Section 1.167(a)-11 of the income tax regulations, (y) computed on the basis (A) of a net salvage value of zero, (B) that the basis of such Unit or Units under Section 167(g) of the Code is not less than the Purchase Price with respect to such Unit or Units, and (C) that such Unit or Units have an asset depreciation period of 12 years, and (z) determined on the basis of the "half-year convention" of Section 1.167(a)-11 (c)(2)(iii) of the income tax regulations; or

(ii) any deduction for depreciation with respect to one or more of the Units is recaptured in whole or in part pursuant to Section 1245 of the Code or any successor provision or provisions thereto; or

(iii) the Lessor is not allowed the benefit of the credit against tax available upon investment in "new section 38 property" under Sections 38 and 46 through 50 of the Code (herein called the "Investment Credit") with respect to the Units; or

(iv) the Investment Credit with respect to one or more of the Units is recaptured in whole or in part pursuant to Section 47 or the Code or any successor provision or provisions thereto; or

(v) the Lessor is not allowed the benefit of current deductions under Section 163 of the Code for interest payable under the Loan and Security Agreement dated as of the date hereof between the Lessor and J. P. Morgan Interfunding Corp. (herein called the "Loan Agreement"); or

(vi) any amount includible in the gross income of the Lessor with respect to one or more of the Units or any deduction allowable to the Lessor with respect to such Unit or Units or with respect to any interest payable under the Loan Agreement shall be treated as derived from, or allocable to, sources outside the United States; or

(vii) any amount is included, at any time prior to the end of the term of this lease in the gross income of the Lessor (other than by the voluntary inclusion of such amount by the Lessor) as a result of any repair, improvement, alteration, modification or addition (including replacement parts) to such Unit or Units made by the Lessee (herein called a "Capital Expenditure");

(any such failure to allow, recapture, treatment of income or deductions as derived from or allocable to sources without the United States, or inclusion in gross income as a result of a Capital Expenditure being herein called a "Loss"), then, subject to paragraph (b) of this Section 18, the Lessee shall pay to the Lessor as an indemnity the amount set forth in paragraph (d) of this Section 18 at the time or times set forth therein.

(b) The Lessee shall be required to indemnify the Lessor with respect to any Loss if and only in the event that such Loss results from:

(i) a Loss described in clause (i) or (iii) of paragraph (a) of this Section 18, if because of acts or failures to act of the Lessee or its officers, employees or agents such Loss results from the use of a Unit by any person so as to preclude the "original use of such property" within the meaning of Section 48(b) or 167(c)(2) of the Code from commencing with the Lessor;

(ii) the Lessee's use of a Unit or Units in such manner as to result in a Loss described in clause (ii), (iv) or (vi) of paragraph (a) of this Section 18; or

(iii) any other act, or failure to act, at any time, by the Lessee or any of its officers, employees or agents (including, without limitation, any act, or failure to act, in respect of the income tax returns of the Lessee insofar as they relate to the transactions contemplated by this Lease), it being understood that this clause (iii) shall not apply to any Casualty Occurrence or Termination.

(c) If at the conclusion of any audit the Lessor receives a preliminary or "30 day" letter from the Internal Revenue Service proposing an adjustment in any item that, if agreed to by the Lessor, would result in a Loss with respect to which the Lessee would be required to indemnify the Lessor pursuant to this Section 18, the Lessor shall promptly notify the Lessee of such proposed adjustment and shall furnish to the Lessee a statement describing such Loss in reasonable detail. If requested to do so by the Lessee, within 20 days after receipt of such statement, the Lessor shall promptly request from independent tax counsel as may be selected by the Lessor and approved by the Lessee (the "Special Tax Counsel"), their opinion as to whether there is meritorious basis for contesting such proposed adjustment. If the opinion is to the effect that there is a meritorious basis for contesting such proposed adjustment, the Lessor shall contest such proposed adjustment beyond the level of the Internal Revenue Service auditing agent by such administrative proceedings at least through the Appeals Division level. Upon the conclusion of such administrative proceedings, if any, the Lessor shall promptly notify the Lessee of the final adjustment proposed by

the Internal Revenue Service and, if the Lessor receives within 30 days after such notice a written request to do so from the Lessee, the Lessor shall contest such final adjustment in a court of competent jurisdiction. If the Lessee requests the Lessor to appeal the decision of such a court or of any intermediate appellate court, the Lessor shall promptly request from Special Tax Counsel their opinion as to whether there is a meritorious basis for appealing such decision. If the opinion is to the effect that there is a meritorious basis for appealing such decision, the Lessor shall appeal such decision. The Lessor, in its sole discretion, shall determine the initial and any appellate court and shall determine whether the proceedings shall be for redetermination of the deficiency proposed to be assessed by the Internal Revenue Service or for refund of taxes paid based on such deficiency. The Lessor shall not be required to take any action as set forth in this paragraph (c) unless and until the Lessee shall have agreed to indemnify the Lessor in a manner satisfactory to it for any Loss that results from an adverse determination with respect to the proposed adjustment and shall have agreed to pay to the Lessor on demand all reasonable out-of-pocket costs and expenses, including, without limitation, attorneys' fees and expenses incurred by it in connection with the taking of such action. If the Lessor elects to pay taxes based on a proposed deficiency and sue for a refund thereof, and if the proposed deficiency would be a Loss with respect to which the Lessee would be required to indemnify the Lessor, then the Lessee shall pay to the Lessor on demand the amount of such taxes and interest thereon which the Lessor shall have paid, and if the Lessor subsequently receives a refund of all or any part of such taxes and interest, it shall promptly pay to the Lessee the amount of such refunded taxes and interest plus the amount of any interest received by the Lessor from the United States Government with respect to such refunded taxes and interest. Notwithstanding anything to the contrary contained in this paragraph (c), the Lessor may at any time, whether before or after commencing to take any action with respect to a proposed adjustment, decline to take any further action with respect thereto, provided that, if the Lessee has properly requested such action pursuant to this paragraph (c), the Lessor notifies the Lessee that it waives its right to any indemnity with respect to any Loss that will result from acceptance of such proposed adjustment.

(d) The amount of indemnity payable by the Lessee pursuant to this Section 18 with respect to a Loss shall be such amount as will result, in the Lessor's reasonable judgment, in preserving for the Lessor both the after-tax rate of return and the after-tax cash flow that would have been realized by the Lessor if such Loss had not occurred, based on the rates of Federal, state and local taxes on, based on, or measured by, net income in effect from time to time. The amount of such payment of indemnity shall reflect (i) the amount of interest, additions to tax and penalties payable by the Lessor with respect to such Loss, (ii) the amount of Federal, state and local taxes on, based on, or measured by, net income (at the rates in effect from time to time), interest, additions to tax and penalties incurred by the Lessor as a result of the receipt of such indemnity payment, and (iii) any amount paid by the Lessee to the Lessor pursuant to the next-to-last sentence of paragraph (c) of this Section 18 which has not been repaid by the Lessor to the Lessee pursuant to such sentence. The Lessor shall furnish the Lessee with a notice setting forth in reasonable detail the computations and methods used in computing such amount of indemnity.

In determining the amount of indemnity payable by the Lessee pursuant to this Section 18 with respect to a Loss which results from a Capital Expenditure, there shall be taken into account any investment credits and depreciation deductions to which the Lessor is or expects to be entitled with respect to such Capital Expenditure in the year in which the Capital Expenditure is made and in subsequent years, but if any such investment credits or depreciation deductions are subsequently disallowed, recaptured or treated as derived from or allocable to sources outside the United States, such disallowance, recapture or allocation shall be treated as a Loss described in clause (i), (ii), (iii), (iv) or (vi) of paragraph (a) of this Section 18, as the case may be.

The Lessee's obligation to pay any indemnity payable pursuant to this Section 18 with respect to a Loss shall become unconditional (1) in the case of a Loss that is required to be reflected on a tax return of the Lessor 30 days after the date such tax return is filed; (2) in the case of a Loss that results from a proposed adjustment of the Internal Revenue Service that is not contested pursuant to paragraph (c) of this Section 18, 30 days after the Lessee's receipt of such "30-day" letter; and (3) in the case of a Loss that results from a proposed adjustment of the Internal Revenue Service that is contested pursuant to paragraph (c) of this Section 18, 30 days after the date on which such contest is finally concluded.

In the event that indemnity payments are made by the Lessee with respect to a Loss described in clause (vi) of paragraph (a) of this Section 18, the Lessor shall pay to Lessee an amount equal to the aggregate net reduction in Federal income taxes, if any, realized by the Lessor during any taxable year subsequent to the year of such Loss resulting from an increase in its foreign tax credit allowable for such year, which is attributable solely to the Lessor's realizing foreign source taxable income for such year in connection with the transaction described in this Lease and related documents; provided, however, that the Lessor shall not be obligated to make any payment pursuant to this sentence to the extent that the amount of such payment would exceed (x) the amount of all prior payments with respect to a Loss described in clause (iv) of paragraph (a) of this Section 18 by the Lessee to the Lessor, less (y) the amount of all prior payments by the Lessor to the Lessee pursuant to this paragraph with respect to such Loss; and provided, further, that any decrease (which is attributable solely to the Lessor's realizing foreign source tax losses in connection with the transaction described in the Lease and related documents) in such foreign tax credit allowable for such year resulting from an audit of the Lessor's tax return for such year, or from a foreign tax credit carryback from a subsequent year, shall be treated as a Loss described in clause (iv) of paragraph (a) of this Section 18.

(e) In the event that the Lessee shall be required to indemnify the Lessor pursuant to this Section 18 with respect to a Loss relating to a Unit or Units, the Casualty Value of such Unit or Units shall be appropriately reduced to reflect the reduction, if any, in taxes that will be payable by the Lessor with respect to such Unit or Units upon a Casualty Occurrence with respect thereto; provided, however, that such Casualty Value shall not be reduced below the amounts required to satisfy the obligations of the Lessor under the Loan Agreement.

(f) All of the Lessor's rights and privileges arising from the indemnities contained in this Section 18 shall survive the expiration or earlier termination of this Lease with respect to any or all Units and such indemnities are expressly made for the benefit of, and shall be enforceable by the Lessor, its successors and assigns.

(g) All payments of indemnity made pursuant to this Section 18, whether payable in a lump sum or in the form of increases in future rental payments, shall be made by the Lessee directly to the Lessor by transfer of immediately available funds as the Lessor shall specify at such time by notice in writing to the Lessee.

(h) The Lessee agrees that neither it nor any corporation controlled by it, in control of it, or under common control with it, directly or indirectly, will at any time during the term of this Lease or any extended term thereof take any action or fail to take any action or file any returns, certificates, or other documents inconsistent with the contemplated tax benefits set forth in subsection (a) of this Section 18 except that each of such corporations may take such action as they may deem necessary in consequence of, and file returns in connection with the occasional use of the Units outside the United States, and that each of such corporations will file such returns, take such action and execute such documents, and keep and upon receipt of 30 days' written notice from the Lessor make available for inspection and copying by such party such records (other than the Lessee's corporate income tax returns) as may be reasonable and necessary to facilitate accomplishment of the intent hereof.

Section 19. Interest on Overdue Rentals. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals or other monetary obligations of Lessee then due hereunder shall result in the obligation on the part of the Lessee promptly to pay, to the extent legally enforceable, interest at a rate per annum equal to 14-1/8% on the overdue rentals and other obligations for the period of time during which they are overdue or such lesser amount as may be legally enforceable.

Section 20. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when mailed, first class, postage prepaid, addressed as follows:

(a) if to the Lessor, c/o First Security Leasing Company at 79 South Main Street, Salt Lake City, Utah 84111, Attention: President.

(b) if to the Lessee, at Columbia Road and Park Avenue, P. O. Box 1219R, Morristown, New Jersey 07960, Attention: Treasurer.

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

Section 21. Severability; Effect and Modification of Lease. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining pro-

visions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions hereof shall be valid unless in writing and signed by duly authorized signatories for the Lessor and the Lessee.

Section 22. Execution. This Lease may be executed in several counterparts, and such counterparts together shall constitute but one and the same instrument, but the counterpart delivered to the Lessor shall be deemed to be the original and all other counterparts shall be deemed duplicates thereof. Although for convenience this Lease is dated as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

Section 23. Law Governing. The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. §11303.

IN WITNESS WHEREOF, the parties hereto have executed or caused this agreement to be executed as of the date first above written.

ALLIED CHEMICAL CORPORATION

By McCamers

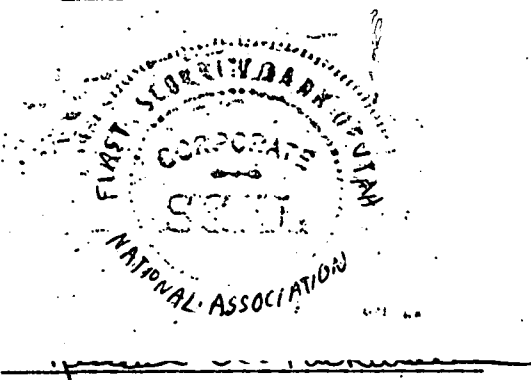
(Corporate Seal)

Attest:

Denis R. Marshall
Assistant Secretary

FIRST SECURITY BANK OF UTAH, N.A.

By Ed Manning



SCHEDULE A TO LEASE

<u>Type</u>	<u>Quantity</u>	<u>Estimated Purchase Price per Unit</u>	<u>Estimated Total Purchase Price</u>	<u>Manufacturer</u>	<u>Road Numbers</u>
100-ton Covered Hopper Cars	32	\$50,477*	\$1,615,264	ACF Industries Incorporated	AFPX 945712- 945743

*Includes escalation costs to the assumed time of delivery, pursuant to the applicable Purchase Orders referred to below; and inspection, engineering and freight costs not to be in excess of \$2,000.

Item 1: The Purchase Orders referred to in the Lease are (i) the Lessee's Purchase Order No. 640-64172 as amended by Purchase Order No. 036-53689 and Change Order Nos. 1, 2, 3, 4 and 5; and (ii) the Lessee's Purchase Order No. 036-55906; a copy of each of which is attached hereto.

SCHEDULE B
CASUALTY VALUE

Rental
Payment Number:

The Casualty Value
as a Percentage of
Purchase Price for Each
Unit of Equipment is:

C.D.	104.445
1	105.451
2	106.158
3	106.825
4	107.299
5	107.555
6	107.573
7	101.204
8	100.778
9	100.142
10	99.288
11	92.057
12	90.789
13	89.326
14	87.666
15	79.645
16	77.614
17	75.410
18	73.042
19	70.502
20	67.806
21	64.950
22	61.965
23	58.828
24	55.575
25	52.185
26	48.690
27	45.063
28	41.333
29	37.467
30	33.497
31	29.386
32	25.000

SCHEDULE C To Lease

Acceptance Certificate

Delivery Date:

THIS ACCEPTANCE CERTIFICATE is executed pursuant to that certain Lease of Railroad Equipment dated as of September , 1980 (the "Lease") between Allied Chemical Corporation and First Security Bank of Utah, N.A.

The terms used herein shall have the meaning given to such terms in the Lease.

Lessee as agent for Lessor confirms (i) that all the Units described in Annex A attached hereto (the "Units") have been delivered and accepted as of the above delivery date pursuant to the Lease; (ii) that the Units have been fully assembled and installed; (iii) that the Lease and Lessee's obligation to pay rent thereunder with respect to said Units shall commence as of the above delivery date and (iv) that the Units have been examined by its duly authorized representatives and that such examination shows that the requirements of Section 4 of the Lease with respect to the identification of the Units have been met.

The total Purchase Price of the Units subject to this Acceptance Certificate is \$.

EXECUTED as of the delivery date first above written.

ALLIED CHEMICAL CORPORATION

By _____

Title _____

Accepted:

FIRST SECURITY BANK OF UTAH, N.A.

By _____

Title _____

ANNEX A

<u>Type</u>	<u>Purchase Price Per Unit</u>	<u>Estimated Total Pur- chase Price</u>	<u>Manufacturer</u>	<u>Road Numbers</u>
100-ton Covered Hopper Cars	\$50,477*	\$1,615,264	ACF Industries Incorporated	AFPX 945712 945743

*Includes escalation costs to the assumed time of delivery, pursuant to the applicable Purchase Orders referred to below; and inspection, engineering and freight costs not to be in excess of \$2,000.

Item 1: The Purchase Orders referred to in the Lease are (i) the Lessee's Purchase Order No. 640-64172 as amended by Purchase Order No. 036-53689 and Change Order Nos. 1, 2, 3, 4 and 5; and (ii) the Lessee's Purchase Order No. 036-55906; a copy of each of which is attached hereto.

State of *New Jersey*
County of *Morris* ss.:

On the *30th* day of September 1980, before me personally came *Nicholas A. Cameron* to me known, who, being by me duly sworn, did depose and say that he resides at *Madison, New Jersey*; that he is the *Treasurer* of Allied Chemical Corporation, the corporation described in and which executed the above Lease of Railroad Equipment; that he knows the corporate seal of said corporation; that the seal affixed to said Lease of Railroad Equipment is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation; and that he signed his name thereto by like authority.

.....*Barbara S. Mullican*.....
Notary Public

BARBARA S. MULlican
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires August 8, 1981

State of *New York*
County of *New York* ss.:

On the *30th* day of September 1980, before me personally came *C.S. Cummings* to me known, who, being by me duly sworn, did depose and say that he resides at *Salt Lake City, Utah*; that he is the *Authorized Representative* of First Security Bank of Utah, N.A. the national banking association described in and which executed the above Lease of Railroad Equipment; that he knows the seal of said national banking association; that the seal affixed to said Lease of Railroad Equipment is such seal; that it was so affixed by authority of the Board of Directors of said national banking association; and that he signed his name thereto by like authority.

.....*Gale L. Soss*.....
Notary Public

GALE L. SOSS
NOTARY PUBLIC, State of *New York*
No. 41-4630199
Qualified in *Queens County*
Commission Expires *March 30, 1982*